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BRAZILIAN MINISTER CLOSES OLADE MEETING IN RIO

PY212329 Brasilia Domestic Service in Portuguese 2200 GMT 19 Feb 82

[Text] After 2 days of discussions, Energy Minister Cesar Cals today closed the fourth meeting of the Committee of Ministers of the Latin American Energy Organization [OLADE] at the Sheraton Hotel in Rio de Janeiro. The creation of a trinational enterprise consisting of Brazil, Mexico and Venezuela designed to prospect for petroleum was decided on at the meeting.

Cals reported that six Latin American ministers drafted a program for energy cooperation among OLADE countries. He termed the meeting truly significant for Latin America and noted that a vast market will be created by the trinational enterprise.

The next meeting of OLADE ministers will be held in July in Jamaica.

MEXICO, VENEZUELA GUARANTEE OIL SUPPLY TO BRAZIL

PY221702 Rio de Janeiro O GLOBO in Spanish 19 Feb 82 p 19

[Text] If a new Middle East crisis breaks out with embargoes similar to the ones which occurred in 1973, Mexico and Venezuela are going to guarantee the oil supply to Brazil. In compensation, Brazil and the other members of the Latin American Energy Organization (OLADE) are going to adopt measures of mutual aid in relation to new sources of energy.

These are, in general terms, the decisions made at the closure of a meeting held in the Sheraton Hotel yesterday by representatives of the six countries which make up OLADE: Brazil, Mexico, Venezuela, Jamaica, Costa Rica and the Dominican Republic. An energy cooperation program was approved with the creation of a work group which, starting now, is going to prepare an energy plan with that purpose.

The members of the OLADE commission, including Brazilian and Venezuelan Mines and Energy Ministers Cesar Cals and Humberto Calderon Berdi respectively, believe that the relaxation of the international oil market is only temporary. The situation, in accordance with the historic process of the last 10 years, can change from one hour to the other. OLADE, in a new emergency situation, would have the role of reducing the effects of a crisis through mutual aid.

The OLADE meeting is going to continue today when some conclusions are going to be announced.

Yesterday, Minister Cesar Cals said that there is only an emergency plan for energy cooperation but avoided making any major comments. According to Cals, the plan was recommended during the last OLADE meeting held in Bogota.

Regarding the Brazilian energy plan until the year 2000, Cesar Cals said that a decision will be made on 3 March after a meeting with the presidents of the Brazilian Electric Power Companies (Eletrobras) and Nuclebras. He reiterated that Brazil is confronting a new energy situation; therefore, there is a need to make the projects more suitable.

ECONOMY MINISTER ALEMANN ON INFLATION

PY190037 Buenos Aires CLARIN in Spanish 12 Feb 82 pp 12-13

[Article by Economy Minister Roberto Alemann: "High Inflation Causes Stagnation"]

[Text] For 10 years, from 1972 to 1981, the Argentine economy bore the burden of a very high inflation rate, at times degenerating into a soaring stage. Also, the economic activity underwent repeated expansions and contractions, at times very violent, which did not result in significant growth. However, there were quite profound changes in sectors and in the structure of sectors. The transitions involved in the changes that took place in some productive sectors resulted in hard-to-estimate losses of capital and economic hardships which are even harder to estimate. The result of a decade marked by high inflation rates is the bitter experience of zero economic growth, -- considering general price increases and expansions, offset by contractions in economic activities and sectors -- where apparently nobody wins and everybody loses, since the result leaves everything as it was at the beginning.

The correlation between the high inflation rates of these -- years and the variations of the economic activity is revealed by the following 20 statistics. The economic activity is measured in terms of the percentage variation of GNP (Gross National Product) given in constant prices and accounting for the sum of added values during a year. Inflation is usually expressed in terms of the consumer price index variation during 1 year. Neither of these two indexes is completely satisfactory, but for lack of more representative figures, we will manage with them and we will study their evolution as shown in the following table:

Year	GNP	Consumer Price Index
1972	1.6	64.1
1973	3.4	43.8
1974	6.5	40.1
1975	-0.9	335.0
1976	-0.2	347.6
1977	6.0	160.4
1978	-3.9	169.8
1979	6.8	139.7
1980	1.1	87.6
1981	-6.1#	131.3

(#) preliminary estimate

Without making a detailed analysis of possible errors in the evaluation of GNP data for a period of both noticeable changes in the structure of sectors and implicit distortions caused by the high inflation rate, it is at first glance clear that economic growth has hardly kept up with the growth of the population from 1972 to 1981. Although some sectors have expanded, others have shrunk and still others have remained unchanged, the economic per capita growth was zero for the 10-year period. The same applies to the income and the capital of individuals or groups of individuals.

This result cannot be actually surprising if compared with inflation indexes based either on consumer prices -- the figure commonly referred to -- on wholesale prices -- of all kinds of products or of nonagricultural products -- on monetary issuance data or on other indexes like exchange rates. Whatever the index chosen, the truth is that inflation has hit very high levels during the period under consideration.

The table reveals general price increases surpassing 40 percent annually during the first 3 years. Then price increase rates climb to 3-digit levels except in 1980, when the over-evaluation of the peso limited the rise of some prices, this being reflected by that year's index. The truth is that the Argentine economy has been bearing high inflation levels since 1972, and that the result, measured in terms of goods produced and put on the market, cannot be any worse, not to mention that other figures disclose new gaps and paths opened by the distortions generated by those high inflation levels.

Besides, the correlation between economic activity variations and prices clearly reveals sharp fluctuations of economic activity over relatively short periods. The Argentine economy had been experiencing quite a long period of moderate growth -- a little more than 4 percent annually -- since the beginning of the previous decade. This growth drive, based on significant investment, was noticeably weakened by the high inflation level, causing the economy to shrink every year or every 2 years while annual inflation rates climbed to 3-digit levels, reaching the sharpest contraction of the decade in 1981.

Anyone aware of the evolution of economic fluctuations and of the behavior of those active in the economy such as entrepreneurs, workers, savers and investors, realizes that high inflation levels make all of them adjust prices, fees and salaries in very short periods of time. It was certainly no accident that during the period under consideration deposits made in financial institutions were for extremely short terms. When investment brokers realize that inflation is practically sure to reach very high levels, they act in keeping with their recent experience and with their very well tuned feeling for the future. Entrepreneurs and workers do the same thing when setting prices and salaries and when making use of inventories or of borrowed funds. Meanwhile, those with savings who care for their capital live in constant fear, having to make an almost daily choice between liquid or capital assets, variable interest rates or capital adjustments, liquid assets in pesos or in foreign currency, official collateral guaranties or any other type of commonly used commercial guarantee; besides, they should constantly evaluate the political risk of the country.

Inflation generates uncertainty and fear, crippling long-term productive investment, which is the main source of economic activity expansion. This kind of investment attracts venture capital, requires the installation of productive equipment, generates new jobs and pays dividends to savings. When the economy is able to attract venture investments based on the confidence in its future, the expansion of economic activity is based on sound foundations. This cannot happen while high inflation levels prevail, because they encourage precisely the opposite.

It was not by chance that the stage of economic growth that occurred during the 1960's and extended up to the beginning of the 1970's followed a period of low inflation levels and substantial investment which, in turn, was followed by another similar period some years later. These investments and the technology that they were able to bring and apply generated growth and jobs until high inflation levels stopped the development of the economy, plunging into the stagnation of the last 10 years.

The above-mentioned injuries suffered by the economic activity under the influence of high inflation levels should be added to social unjustice, thus strengthening critical views against inflation. Only holders of capital assets (real estate, rural lands, factories, equipment, goods, jewels), who can contract debts based on their assets, can profit by inflation. If, in addition, negative interests and subsidies are paid, capital assets holders can become rich, provided they contract debts skillfully, increasing the price of their products by more than the cost of the loan so that when they return it they actually pay an amount worth less than the original loan, thus increasing their assets.

Instead, those who live on the income generated by their work, or who are paid salaries, or who receive rents, lose under inflationary conditions, paying --without being aware of it -- the implicit tax involved in the impairment of their purchasing power taking place from the moment they receive their income to the moment they spend it. When monetary stability prevails, salaries and income from savings do not pay the inflationary tax. Inflation is not compatible with social justice. High inflation levels hurt equality, killing economic growth.

It we were to prove the truth of this proposition by demonstrating its absurdity, recalling what happened in other countries during hyperinflation periods will do. While inflation hit billion-figure marks, the economic activity was paralyzed, unemployment grew, factories turned idle and social chaos prevailed. At the climax of hyperinflation, the impairment of purchasing power meets the paralysis of economic activity. Similar conditions prevail under high inflationary levels, when the generalized price increase stops growth, turns factories idle and raises unemplcyment -- as was revealed by the Argentine experience from 1972 to 1981.

High inflation levels should be overcome in order to start a new stage of economic revival. Then savings are channelled toward productive investment, venture capital generates new jobs, and income and capital can be evenly distributed. We should not lose sight of this goal if the outcome is to be successful, as it has been in Argentina and in other countries which had to face similar situations in the past.

FUEL ADULTERATION SCANDAL INVESTIGATION RESULTS

PY191536 Buenos Aires AMBITO FINANCIERO in Spanish 8 Feb 82 pp 6, 7

[By Gerardo Gonzalez -- passages between slantlines published in boldface type]

[Text] This article is aimed at providing some facts about the result of an investigation of fuel adulteration. Searching for the facts, this reporter was able to obtain new testimonies and evidence from highly reliable sources showing that this "affair" -- which has stirred up public opinion -- is very far from being cleared up. Many people are directly or indirectly involved in this case. It should be made clear that the adulteration involves not only fuels but also lubricants, although the people responsible for this scheme have nothing to do with the other group. Fuel oil has also been affected by this adulteration.

In fact, Government Oil Deposits (YPF) is the only company which prepares diesel oil which when treated with activated clay becomes fuel oil. Fuel is then given an artificial irridescent color, a color which the fuel oil of the competition does not have.

Well now, it would be an illusion to think that only the fuels sold by YPF have been adulterated. This is completely false. ESSO and Shell have experienced the same problems because the truck drivers -- not the truck owners -- who haul fuel for them are also involved in the scheme.

Now that these points have been cleared up, it is worthwhile expanding on the subject of business connections of officials of YPF, where the "affair" began.

Anyone looking at the YPF board of directors over the last few years will see that their names have appeared in the list of the Italian Masonic lodge called P-20. This is a detail which will gradually become more evident.

It is worth recalling the current judicial status of this case. The people under arrest include YPF plant chiefs and security personnel. The president of Sol, S.A., Francisco Garcia Moya -- the company which directly or indirectly is involved in the case -- submitted a note to Federal Judge Gonzalez Pizarro.

In the note, Garcia Moya said that he is willing to submit all the documents that may be required. He indicated that every business operation, the purchase of the original product and the byproducts obtained in production, is registered in the accounting books of the company with their respective supporting documents. In conclusion, Garcia said that the note is aimed at making known Sol's business transactions over its 62 years of activity in order to bring out "its complete lack of knowledge of the final destination of the products delivered in relation to that particular business transaction and the need for a quick clarification of the judicial status of the company and its members."

So far, so good but this note has several points which should be cleared up because of the information this reporter has obtained.

First of all, Sol Petrolera may have 62 years of commercial activity, / but Garcia Moya -- through Oeste Distributing Company / -- purchased that firm only a few years ago.

Whoever bothers to check the records of the General Directorate of Taxation [DGI] in 1973 will see that the DGI embargoed all Sol, S.A. assets and closed its plant as a result of charges of tax evasion made by one of its then directors. The director who made the charges was in disagreement with Mr Spitalnik, then chairman of Sol, S.A.

Moreover, /this enterprise has been suspended from stock exchange transactions several times for a number of trading irregularities/.

After that, Oeste Distributing Company bought Sol, S.A. Garcia Moya can hardly boast 62 years of trade activities as a guarantee in the case of fuel adulteration.

Hugo Raul Miori Pereyra is one of the directors of Sol, S.A. He was chief of coordination in the province of Buenos Aires during the administration of Imaz. After the murder of Gen Pedro Eugenio Aramburu, this director went to live in Mexico for 3 months.

A few years later, specifically in 1980, he reappeared as /secretary of the Latin American Anticommunist Congress held in Buenos Aires./ The chairman of that congress was Gen (Ret) Carlos Guillermo Suarez Mason, who later became president of YPF.

Miori Pereyra is also a very good friend of YPF Trade Department Director Cesar Piana who was one of Shell's directors and who had to leave his post after a much bally-hooed affair with Debernardi, one of Shell's distributors of fuel-oil.

This is all for background story. From the commercial point of view, several questions arise. /Why did YPF not investigate the loss of market over the past few years?/ There must be a reason for a tremendous drop in fuel sales. /Could it be that the adulterated fuel is replacing the state company's sales?/

/How can it be that while the sales of insecticide base and solvents by the state company dropped, Sol, S.A. demanded an increase in its quote and even obtained JP 1 aircraft fuel? To whom was it selling these products, when, as in the case of the insecticide base, these products need an affidavit signed by the client to guarantee that they will be used for the stated purpose and none other (like, for example, adulteration)?/

No need to say that none of these petroleum byproducts pay as much tax as gasoline. Thus, while there is a 508 peso tax on solvents, there is a 2,590 peso tax on premium gasoline and a 1,346 peso tax on fuel-oil. The difference is also great in the final prices (and this is where the profit of the adulteration comes in); while solvents costs 2,700 pesos per liter, premium gasoline costs 4,150 pesos and fuel oil costs 2,500 pesos. Diesel fuel costs 1,400 pesos per liter.

Returning to Sol, S.A., this company has greatly improved its relations with YPF during the past few years, and YPF has provided more and more products which would then be mixed with the fuel.

Thus, during the second half of November 1981, during a lunch in Francisco Solano -- where its plant is installed -- Sol, S.A., received important national officials. /Present there were former President of the Republic Juan Carlos Ongania, former Under Secretary of Fuel Guillermo Walbrecher, and members of YPF board, headed by Gen (Ret) Suarez Mason./

The increase in the quota of crude oil for distillation was also celebrated there. The increase allowed a considerable increase in the production of solvents for a recessionary market which apparently could not absorb them. Otherwise, it is enough to compare the figures of YPF sales.

Some of the products obtained from the distillation of that crude would yield napthas and low grade fuel oil which sold as solvents would be exempted from the heavy taxes the state levies on fuels. As all this was going on, an envoy of Sol, S.A., travelled to Paraguay in August 1981 and contacted the Ferreteria Americana firm to organize the distribution of fuel in that country with the backing of General Rodriguez, chief of the I Army Corps of Paraguay. Of course, this fuel was not from YPF.

A week later, YPF signed a contract to export gasoline to Paraguay. Two different operations: one with adulterated fuel and the other with good fuel.

Since the neighboring country was flooded with the adulterated oil, the Paraguayan Government was forced to decree the suspension of imports on 7 January 1982 and put everything in the hands of the mixed company Petropar.

It so happened that the inflow of adulterated fuel was so large that pressure built up to stop it. Therefore, Paraguay banned the entry of all fuel via Clorinda since a Paraguayan army officer was involved in this shady business.

A detail worth-noticing: Ferreteria Americana, which is accused of selling the adulterated fuel, was chosen by YPF to distribute its products in Paraguay. The Americana owns an important chain of service stations.

No doubt the deal with YPF was legal, but the adulterated fuel obtained through a different route was bought at a lower price and paid for in dollars through a well-known currency exchange agency in Asuncion.

Another YPF official, Puente Solari who purchased crude abroad and is on vacation now, can provide more information if he is summoned to make a statement. Puente Solari handled all the crude sales to Sol, S.A., and he even made advance deliveries before the Energy Secretariat signed the resolution permitting such sales.

There are many questions up in the air. Which officials of the General Mosconi Petrochemicals are involved? Which truckers? Why is the crude delivered to Sol, S.A., not tracked down to find out which byproducts were obtained from all that crude and where the byproducts went? Where are the sale affidavits and the papers to prove the value added tax was duly paid? Why were the investigations on this matter, which began years ago accumulating quite a dossier at YPF not followed through? How come the YPF security did not know anything about a case which was known to all inspectors? What happened with the negative fuel analyses issued by the YPF laboratories? Who received those negative fuel analyses and what was done in view of the evidence that the fuel was adulterated?

These are certainly the questions for which answers must be found by those determined -- in the words of President Galtieri -- "to press this matter to the bitter end."

It would be a good lesson on morality to ferret out all the details in this case and the government can thus win some of the confidence it needs at a time when the criticisms of corruption are mounting. It is enough to recall the declaration of the former Ongania man, Roberto Roth, among others.

SALVADORAN OFFICER TO MEET WITH GALTIERI

PY190039 Buenos Aires LA NACION in Spanish 17 Feb 82 p 9

[Text] Col Rafael Suarez Lima, chief of the Salvadoran Armed Forces General Staff, will meet with President Galtieri next week. Suarez Lima, who will stay in Buenos Aires until the end of this month, will come to our country at the invitation extended to him by Gen Jose Vaquero, the army chief of staff. During his stay in Argentina, the Salvadoran officer will also visit military institutions and factories.

AMBASSADOR QUIJANO VIEWS PRESENT OAS ROLE

PY222235 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1438 GMT 22 Feb 82

[Excerpts] Buenos Aires, 22 Feb (NA) -- Argentine Ambassador to the OAS Raul Quijano has said that the visit to Argentina that Chief of Armed Forces Staff of El Salvador Col Rafael Flores Limas will begin tomorrow is a followup "to conversations regarding economic and technical aspects which are being maintained with the government of that country."

Ambassador Quijano said that the OAS might participate in some way in the Argentine-British negotiations on the sovereignty of the Malvinas Islands only if Argentina requests it. For the time being the OAS will not take up the Malvinas question, but "it might be that Argentina would request some kind of OAS action" after the Argentine-British negotiations scheduled to be held in New York, although "that request is not foreseen just now."

Ambassador Quijano also said that the problem in Central America "has been deteriorating, getting worse," but noted that any possible OAS intervention in the region would only take place if one of the countries involved should expressly make a request to that effect.

"The OAS is on the sidelines; it intervenes only if some crisis reaches a point where intervention is warranted; otherwise, the OAS lets forces in each country try to solve their own problems. There is danger in the excessive internationalization of a problem, so no intervention is contemplated at this time."

40 PERSONS ARRESTED FOR POLITICAL REASONS

PY221504 Paris AFP in Spanish 0036 GMT 21 Feb 82

[Text] La Paz, 20 Feb (AFP) -- Diplomatic sources told AFP here today that 40 persons are under arrest for political reasons in this capital, which means an increase of 8 over the number of arrested up to yesterday. The same sources ensured that U.S. Ambassador Edwin G. Corr is quite annoyed because several prisoners have been subjected to physical pressure. A diplomat of one of the EEC countries also reported that he has received requests for a residence visa from peasant leader Zenon Barrientos Mamani of the National Revolutionary Movement of the Left (MNRI) and Jose Luis Lizeca, a university student from Potosi. A few days ago, five students from Potosi were arrested and sent to La Paz. Five other persons who were arrested in Santa Cruz, 1,000 km east of La Paz, on charges of robbery were also sent to this capital because Juan Rodriguez Guadama, former deputy of the Democratic and Popular Union, is involved.

According to a report by Radio Maritima of Santa Cruz, the persons arrested there include journalist Juan Carlos Romero, in addition to other radio workers.

Factory workers have also requested the release of Luis Lopez Altamirano, executive secretary of the illegal manufacturing workers confederation, who -- according to diplomatic sources -- was also badly treated.

Interior Minister Romulo Mercado Garnica announced yesterday that Filemon Escobar Zapata, a leader of the proscribed Bolivian Labor Federation (COB), is going to leave the country in the next few hours.

It has also been reported that the wage negotiations with manufacturing workers and miners will be resumed next Wednesday after the carnival celebrations and that some of the arrests apparently were made in hopes of getting quick approval for the government proposals.

STUDENTS ARRESTED; MINERS REITERATE DEMANDS

PY222338 Paris AFP in Spanish 1508 GMT 19 Feb 82

[Text] La Paz, 19 Feb (AFP) -- Five students of Tomas Frias University of Potosi, located in southern Bolivia, have been arrested by state security agents. The charge was made here today by their relatives. Jose Luis Lizeca Baldivieso, Benigno Flores, Carlos Ortega, Lucio Valda and Javier Ledezma, were transferred to La Paz on Friday of last week. The authorities continue to refuse to give out any information on their whereabouts, the relatives say.

Moreover, Mrs Olga Vasquez Escobar, wife of the well-known leader of the miners and former vice presidential candidate, Pilomeno Escoban Zapata -- who was detained a few days before the implementation of the economic corrections on 5 February -- has addressed a letter to the permanent assembly for human rights asking for his release.

Finally, the country's grassroots delegates from the mining sector have addressed a letter to Bolivian President Gen Ceslo Torrelio Villa in which they reiterate their request for a general and unrestricted amnesty, the rehiring of the workers fired for political and labor causes, the withdrawal of troops from the mining centers, the clearing up of the deaths of miners and the punishment of the perpetrators and the suspension of the curfew that has been in effect throughout the country since the 17 July 1980 coup.

BANZER SAYS ADN MEETING WITH POLITICAL GROUPS

PY221604 Paris AFP in Spanish 1600 GMT 20 Feb 82

[Text] La Paz, 20 Feb (AFP) -- Former Bolivian President Hugo Banzer Suarez said here today that his party, the Nationalist Democratic Alliance (ADN), has been holding meetings with other political groups to seek solutions to the present national crisis. Banzer Suarez made this statement because Hernan Siles Zuazo, leader of the National Revolutionary Movement of the Left (MNRI), had excluded him from a call he made to all former presidential candidates to create a national accord that will promote the restoration of democracy in Bolivia. In view of this, Banzer said that it is fortunate that he has been excluded by Siles Zuazo since the ADN does not negotiate with parties that receive financial support from abroad.

FINANCE MINISTER ON FOREIGN ASSISTANCE, EXCHANGE

PY230232 La Paz EL DIARIO in Spanish 12 Feb 82 p 3

[Text] "The country should no longer hope for foreign assistance to solve its economic problems. These should be resolved by Bolivians, who should stop thinking about donations or alms." Finance Minister Col Javier Alcoreza made that remark referring to possible foreign assistance. He noted that as finance minister he can promise the Bolivian people nothing and that there was nothing official about the possibility of aid from the U.S. Government. That was the answer given by the minister to a question from journalists about a rumored announcement of U.S. aid. Minister Alcoreza emphasized that there was nothing official about that, either at government levels or at the U.S. Embassy. On another topic, Minister Alcoreza said that the level of foreign exchange reserves is "very low," thus making it necessary to regulate the sale of foreign exchange in accordance with a set of priorities proposed last September to provide for imports of foodstuff, medicine and inputs to maintain normal industrial production in that order. The minister then talked about the need for doing away with the Camacho Avenue system of foreign exchange operations. The minister said: "that the foreign exchange free market must disappear because it is managed by unscrupulous people with whom dialogue is no longer possible since they are only interested in profiteering," adding that the foreign exchange shops should be closed "because they are no good for the country's economy and because, in general, those who control the sale of U.S. currency have no patriotism and are profit-minded."

Minister Alcoreza hinted that in the next few hours or days his ministry may take drastic measures against the sale of dollars on the streets and at the foreign exchange shops.

CANADA TO RESUME DIPLOMATIC RELATIONS

PY181213 La Paz Radio Illimani Network in Spanish 1100 GMT 18 Feb 82

[Excerpt] Bolivian Foreign Minister Gonzalo Romero Alvarez Garcia has reported that the Canadian Government has informed the Bolivian Foreign Ministry of its intention to resume diplomatic relations with Bolivia. The foreign minister noted that Canada will appoint an ambassador also accredited to Lima, Peru.

GOVERNMENT REPORTEDLY TO REFORM ELECTORAL RULES

PY181225 Rio de Janeiro O GLOBO in Portuguese 16 Feb 82 p 1

[Excerpt] The government is preparing a new set of electoral reforms to be submitted to congress as soon as the new legislative session begins in March. Some of the proposed reforms will reestablish the "intraparty subgroup" [sublegenda] rule for gubernatorial elections while eliminating it for senatorial elections. According to an authoritative PDS [Social Democratic Party] source, studies by the adviser's office at Planalto Palace consider the reelection of governors and the "district vote" [to elect federal and state deputies by majority vote] possible. Another possibility is the increase of federal deputies from 420 to 500.

LULA DENIES PTB CONNECTIONS WITH SOCIALISTS

PY182042 Buenos Aires TELAM in Spanish 1455 GMT 18 Feb 82

[Text] Sao Paulo, 18 Feb (TELAM) -- The Brazilian labor leader Luis Inacio da Silva, Lula, leader of the Brazilian Workers Party [PT], denied here today rumors that during his recent visit to the United States he had requested financial support from the Socialist International. I did not meet with any member of that organization and I am not planning to do so, asserted the labor leader on proclaiming that his party neither receives nor intends to request such aid, for it does not assume political commitments of that nature. Da Silva reported that as of next week he will start writing for the U.S. newspaper New York TIMES and that his first article will deal with President Ronald Reagan's policy regarding Latin America, as well as the situation in El Salvador, and Nicaragua, the blockade of Cuba and the political regimes in other Latin American nations.

EXCHANGE OF COFFEE FOR EQUIPMENT WITH GDR

PY181543 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Feb 82 p 25

[Text] Yesterday GDR Foreign Trade Under Secretary Wilhelm Bastian and Agriculture Ministry Secretary General Jose Ubirajara Timm signed the first additional clause to the agreement signed between the two countries last year by which Brazil commits itself to acquire, in an undetermined period of time, $20 million worth of equipment for laboratories for the agricultural sector. The additional clause agreed on yesterday establishes that Brazil will import equipment worth $3.6 million and that the GDR will import coffee beans and cocoa butter worth $8.4 million this year. The amortization deadline for the credit to purchase the equipment is years. The credit has a 6.5 percent interest rate and a 2-year grace period.

Of the total purchased equipment $1.7 million will be for the two laboratories -- Lanara and Lanav [expansion unknown] -- of the National Secretariat for Agricultural Protection [Secretaria Nacional de Defesa Agropecuaria]. The Brazilian agriculture and livestock research enterprise will receive equipment worth $1.1 million of which the largest lot, worth $490,000, will be destined for the National Service for the Production of Basic Seeds [Servico Nacional de Producao de Sementes Basicas]. The executive commission of the Cacaueira agricultural program will receive equipment worth $700,000 of which the largest lot, worth $396 million [as published], will be for its geoscience department.

CUSTOMS PACT WITH PERU SIGNED; MINISTER DEPARTS

PA191343 Paris AFP in Spanish 1555 GMT 18 Feb 82

[Text] Bogota, 18 Feb (AFP) -- A new system of free imports without duties or border restrictions began today between Colombia and Peru as the customs cooperation agreement went into effect. Last night in Bogota the foreign ministers of Colombia and Peru, Carlos Lemos Simmonds and Javier Arias Stella, respectively signed the agreement in a special ceremony at the San Carlos Palace. The agreement also fixes a common tariff applicable to imports, regardless of their origin, and establishes that Colombia and Peru may create free ports, free zones and other customs systems. The treaty, signed after the Peruvian foreign minister's visit to Colombia, will use the tariff nomenclature of the Andean Pact member-nations. The cooperation agreement stipulates that Colombia and Peru will totally exonerate all imports between their territories and may also exclude any merchandise which in their opinion could affect their security or economy or be contrary to sanitary codes.

Another document signed by Lemos Simmonds and Arias Stella provides for support of their respective governments to Andean subregional integration and reiterates their determination to continue actions that will permit economic and social advances.

Last night the Peruvian foreign minister awarded Lemos Simmonds the Great Cross of the Order of the Sun during a reception he gave in a hotel in downtown Bogota.

Arias Stella returned to Lima this morning, after Lemos Simmonds had accepted an invitation to visit Peru at a date not yet specified.

SECTORS REACT TO LATEST AMNESTY DECREE

PA221545 Buenos Aires LATIN in Spanish 2115 GMT 20 Feb 82

[Text] Bogota, 20 Feb (LATIN-REUTER) -- Today the church and the traditional political parties of Colombia expressed their support for an amnesty decree directed at the leftist guerrillas. The government issued the decree yesterday. However, the measure was criticized by local legal circles. The president of the Colombian Episcopal Conference, Monsignor Mario Revollo, said in a report that the legal procedures whereby the guerrillas may return to life inside the law will bring a true feeling of peace to the country. Yesterday President Julio Cesar Turbay's government approved a decree whereby guerrillas imprisoned pending trial will be freed if the majority of their fellow combatants decide to give up their armed struggle. But defense attorneys for the guerrillas criticized the provision. Lawyer Eduardo Umana said that the government's objective is "unattainable" and the requirement that the majority of guerrillas turn themselves in is "absurd."

"How many constitute that majority?" asked criminal lawyer Enrique Cipagauta. Cipagauta is the defense attorney for the leaders of the 19 April Movement (M-19) who are imprisoned in Bogota. The M-19 is the most important guerrilla group in Colombia. "No one has counted the subversives in Colombia, nor can they count them," Cipagauta added. Nevertheless, various political leaders supported the government's amnesty decree. Local political analysts consider the measure an effort to restore peace in the country prior to the general election on 14 March and the presidential election on 30 May. Alfonso Lopez Michelsen, candidate of the ruling Liberal Party, said in a speech that if the amnesty decree makes an impact on the guerrillas, he will give up his candidacy.

Gerardo Molino, presidential candidate for the left, told journalists that the decree, which was suggested by a national peace commission created by the government in November and led by former President Carlos Lleras Restrepo, is a firm step toward national pacification. Justice Minister Felio Andrade Manrique said today that the swift repeal of the state of siege that has prevailed in Colombia for 34 years will depend on the outcome of the amnesty appeal.

"This is going to work because the guerrillas will have the incentive of economic and social help from the state. If they want peace, then it is available to them," the justice minister told journalists.

JUSTICE, DEFENSE MINISTERS FAVOR AMNESTY DECREE

PA221600 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 22 Feb 82

[Text] Bogota -- Justice Minister Felio Andrade has made a broad analysis of the decree that paves the way for the guerrillas' return to civilian life in Colombia. The decree was issued on Friday. During a statement for the CARACOL Radio Network, Andrade defended the decree's constitutionality, stressing that if the decree is declared unfeasible by the Supreme Court the loser will be Colombia at large and not the government. Andrade added that close to 700 people who are either charged with or being tried for subversion may soon regain their freedom. For this to happen, however, their cohorts who are still active in the guerrillas must surrender with their weapons and seek shelter under the provisions of the decree.

Recalling the alliance between the guerrillas and the Mafiosi in favor of foreign interests -- about which the secret services and the armed forces have a great deal of evidence -- the minister said that the state intends to compete with the countries that have tried to export subversion to Colombia. He asked all Colombians to cooperate in this regard, noting that our decrees and laws are directed at them. That is why we are now relying, as on previous occasions, on the good will of our compatriots, he said, adding: I cannot say that the Cubans, the Russians or the Nicaraguans favor this decree. Most certainly they will be against it. However, I am sure that good Colombians will agree with it. Only those who are in connivance with the Cubans, Nicaraguans or Russians can oppose this decree. We want the Colombian state to begin competing with those who are trying to confuse the people with communist and foreign-flavored talk. We will devote ourselves to this struggle, to this campaign. We will demonstrate that Colombia can give more benefits to the people than foreign subversion can, Andrade stressed. He deplored the fact that the Colombian congress has not passed laws against drug trafficking and said that as long as this crime continues at its present pervasive level, it will not be possible to lift the state of siege.

He added that Medellin, the country's second largest city, located in the northwest, has become such a center of this criminal activity that it is faced with an industrial recess: many investors have chosen to engage in drug trafficking and crime.

For his part, National Defense Minister Gen Luis Carlos Camacho Leyva said that he trusts that the decree, which enjoys the full support of the armed forces, will yield satisfactory results. He compared it with medicine, saying that if the patient -- the guerrillas, in this case -- takes his medicine he will probably obtain relief, but that if he does not he must suffer the consequences, which cannot be favorable. He added: However, I expect the result to be favorable, as with the patient who takes his medicine. If the guerrillas seek shelter under the decree before the expiration of the deadline we will be able to solve all of our legal problems, the senior officer said.

In conclusion, he said that the decree empowers the peace commission led by former President Carlos Lleras Restrepo to watch over the surrender of the guerrillas, who are supposed to do this within the next 60 days.

BRAZILIAN FOREIGN MINISTER ARRIVES IN CARACAS

FL190042 Brasilia Domestic Service in Portuguese 2200 GMT 18 Feb 82

[Text] Foreign Minister Ramiro Savaiva Guerreiro arrived in Caracas early this morning for a 2-day work visit. He was met at the airport by his Venezuelan counterpart Jose Alberto Zambrano.

The first formal meeting was held late in the afternoon when Saraiva visited the Venezuelan Foreign Ministry. Saraiva and Zambrano held a 15-minute private meeting and then their advisers joined them for about 2 hours. No report was released on the private meeting held by the two foreign ministers, but during the meeting, also attended by the advisers, a review of bilateral ties was made, paying special attention to the balance of trade, which is clearly favorable to Venezuela.

The Brazilian side is interested in increasing Brazilian exports in order to compensate for oil imports.

DEMOCRATIC ACTION HAS NO MARXIST-LENINIST IDEALS

PA200250 Caracas Radio Continente Network in Spanish 2100 GMT 19 Feb 82

[Text] The Socialist International conference was postponed because of the desire to discuss the Central American situation without being pressured by the Sandinists, who would have attended as observers.

This was disclosed by Manuel Penalver, secretary general of Democratic Action. He said that Democratic Action had always been perfectly identifiable because it is a reformist social democratic party that has never been a useful fool nor has marched in step with the Marxist-Leninists.

He added that long before the armed FSLN was born, the members of Democratic Action had been fighting Somoza, and he recalled that the former dictator had once accused Democratic Action of building a so-called Caribbean legion.

Penalver also said that when the time came to overthrow Somoza's dictatorship, Democratic Action had given its sincere and unselfish cooperation.

COLOMBIAN BORDER INCIDENT INVOLVED CONTRABANDISTS

PA201200 Paris AFP in Spanish 2240 GMT 19 Feb 82

[Text] Caracas, 19 Feb (EFE) -- A Colombian was killed in a clash which took place between Venezuelan national guardsmen and a group of Colombian contrabandists, the Venezuela Foreign Ministry reported today.

A spokesman of that ministry told EFE that "the Foreign Ministry recognizes that the clash occurred," but the persons repelled by the Venezuelan national guardsmen were illegal trade traffickers.

At this moment investigations are underway. It was, however, reported that a Colombian national was killed," he noted.

Reports from Colombia noted today that Julio Cesar Rojas, Cucuta government secretary, reported the disappearance of four workers during an armed clash on the border of Puerto Santander between peasants and the Venezuelan national guard. The Venezuelan Foreign Ministry gave no further details on the incident. It will make them available once all the data are compiled and investigations are concluded.

GOVERNMENT DENIES POST REPORT ON 4,000-MAN FORCE

PA181946 Paris AFP in Spanish 1827 GMT 18 Feb 82

[Text] Mexico City, 18 Feb (AFP) -- The Mexican Government today emphatically denied that it is preparing a 4,000-man intervention force to protect its southern border and its oil wells. The report was published by the Washington POST with a Mexico dateline, citing "official sources."

Francisco Galindo Ochoa, official spokesman of the Mexican presidency, today described the U.S. newspaper's report as "completely false." It was noted here that as a result of the recent actions of the subversives in Guatemala, Mexican Defense Secretary Gen Felix Galvan has stated on several occasions that the Mexican Army is constantly patrolling the country's southern border, but in a completely normal manner.

PRESIDENT LOPEZ PORTILLO RETURNS FROM NICARAGUA

PA220233 Paris AFP in Spanish 0216 GMT 22 Feb 82

[Excerpt] Mexico City, 21 Feb (AFP) -- Mexican President Lopez Portillo arrived here this afternoon from Managua, where he went this morning to receive Nicaragua's highest award. Cabinet ministers, representatives of the armed forces, and a large crowd of workers and peasants were on hand at the airport to welcome him. Lopez Portillo went to Nicaragua with a small group of 10 officials, among them Jorge Castaneda, secretary of foreign relations, and some newsmen.

FINANCE SECRETARY ANNOUNCES NEW ECONOMIC PLAN

FL201306 Bridgetown CANA in English 1002 GMT 20 Feb 82

[By Colin McSeveny]

[Text] Mexico City, 20 Feb (CANA-REUTER) -- Mexico said yesterday it would cut public spending by three per cent this year and follow a much freer currency exchange policy as part of an economic plan which included floating the peso. The Mexican currency fell by about 30 per cent against the dollar on Thursday after the Central Bank withdrew its support because of pressures from a huge balance of payments deficit and high inflation.

Yesterday's package, announced by Finance Minister David Ibarra Munoz, is to accompany the fall in value of the peso which will have strong repercussions throughout the Mexican economy. Mr Ibarra Munoz said the public spending cuts would compensate for increases in salaries and a rise in debt servicing caused by the fall in value of the peso. He would not predict how long the peso would be allowed to float without Central Bank intervention, but said that once stability was achieved the currency would be permitted freer movement in the exchange markets. The finance minister said the fluctuation would "conform with the difference between Mexican inflation and productivity and those of abroad."

Mr Ibarra Munoz ruled out exchange and import controls and new formal price fixing to combat the expected surge in inflation. He said the government would discourage all but the most necessary price rises. "No emergency wage rises will be granted...though as most salary contracts have still to be fixed the new financial circumstances will be taken into account as soon as possible," he said. Stressing the flexibility of the economic adjustment programme, Mr Ibarra Munoz said no one sector should be affected more than others. He said savers would be given the chance to buy government bonds with interest rates that moved with the official cost of living index. Mr Ibarra Munoz said Mexico would continue to meet its financial commitments. Mexico has a 48 billion dollar debt, the second biggest in the developing world. He admitted that forecasts of Mexico's real growth would have to be scaled down. "We expect a 4-1/2 to five per cent growth this year," he said. Mexico has averaged about seven per cent growth over the past few years.

PAPER SAYS U.S. STEPPING UP AGGRESSION IN AREA

PA221745 Panama City MATUTINO in Spanish 20 Feb 82 p 4A

["Vox Populi" column by Luis Restrepo: "The Aggression Intensifies"]

[Text] In the last few weeks, the United States has stepped up its acts of aggression against the Central American peoples. Yankee aggression has the collaboration of powerful and decisive sectors in those countries and here in Panama. Naturally, it is also backed by the oligarchic groups that once were -- and surely still are and will continue to be -- loyal allies of Potomac imperialism.

The arrival of Lt Gen Wallace Nutting, commander of the U.S. Southern Command Forces, in El Salvador occurred at a time when doubts are on the rise in Washington regarding the ability of the Salvadoran Army -- equipped, trained and paid by President Reagan -- to defeat the Salvadoran people's liberation forces.

As is already known in Latin America, General Nutting favors the propagation of a large-scale war in El Salvador. He also advocates the U.S. Army's intervention in Central America and the Caribbean and does not discard the possibility of sending troops to Colombia under the pretext of defending the democracy of Turbay Ayala and the Colombian Armed Forces, which have maintained a state of siege in that country for over 35 years.

Meanwhile, as further evidence of rising U.S. aggression against Latin America, the U.S. Consulate in San Jose, Costa Rica, has denied visas to members of a delegation that was to travel to the UN Headquarters in New York to deliver thousands of signatures against U.S. intervention in Central America.

The anti-imperialist tribunal delegates include Costa Rica's Dr Arnulfo Mora, former Guatemalan Foreign Minister Dr Guillermo Toriello, Nicaragua's NUEVO DIARIO director Xavier Chamorro, Moises Torrijos H. and Salvadoran citizen Clarivel Alegria.

These persons should denounce President Reagan's abuses against the Central American peoples' human rights and the principles of sovereignty and self-determaination.

In denying the visa under State Department orders, the U.S. Consulate in San Jose has violated democratic rights and attacked the United Nations. The United Nations enjoys extraterritoriality; therefore no one can be denied access to that international organization.

Aggression has been intensified in Guatemala, where the same tactic of murdering civilians, particularly children and women, is being implemented. In Guatemala, there reportedly are over 450 "military advisers," who have trained the Guatemalan soldiers in the terrorist tactics used in Vietnam. It has been learned that many of those experts are Vietnamese refugees who used to collaborate with the U.S. Army and in that role committed thousands of crimes. According to the existing reports, hundreds of "advisers" are already in Honduras. As some of its spokesmen have already indicated, the State Department hopes "that the new Costa Rican Government" will provide facilities so that the "military experts" sent in from the Panama Canal area can operate from that country, training former Sandinist guardsmen against the Nicaraguan Government.

That was the task assigned to General Nutting during his recent inspection tour through Central America and the various sites where the marines and the planes carrying troops from the U.S. military bases in the Canal area, Puerto Rico and the United States itself can land. As can be seen, the network of aggression, in all its aspects, is extending throughout Central America,

USSR NEGOTIATES TO USE VACAMONTE FISHING PORT

PA191230 Panama City Televisora Nacional in Spanish 2300 GMT 18 Feb 82

[Text] Soviet officials have begun negotiations with the Panama port authority to establish a base for the USSR fishing fleet at Vacamonte Port. This was said by the port authority director Major Jose Santos Motta in an interview with (Mari Julia Pujol).

[Begin recording] [Question] What is the status of the negotiations to establish a Soviet fishing base in Panama?

[Answer] I would say that the negotiations and just in the initial phase. They met with us and are now studying the possibilities and advantages which the Vacamonte Port currently offers.

[Question] How would our country benefit from the establishment of this base for the Soviet fishing fleet?

[Answer] The port authority intends Vacamonte Port to serve as a center not only for that fleet but for all the tuna fleets that operate in the south Pacific. Instead of returning to their home bases in Europe, North America or Cuba, by transiting the Canal, they would carry out operations at the port, transferring the cargo to mother ships that would take it to its final destination. This would offer the advantage that instead of using six, seven or even more ships, a transfer could be made in Vacamonte and one ship could transport all the cargo to its final port. We would like to offer all the tuna or fishing fleets in the world the facilities at Vacamonte for use as a center of operations. This would be a great boost to the country's economy.

[Question] What countries other than the USSR have requested these services?

[Answer] Right now the portion of the U.S. tuna fleet based in San Diego has been negotiating for and using Vacamonte. Also there are talks underway with Japan tuna, Japan's fishing fleet which is probably the largest fleet in the East. It is using the port of Balboa but only to supply and service its boats. We are trying to get this fleet to use Vacamonte as a center of operations.

[Question] When could you give either a positive or negative answer to the USSR on the use of the Vacamonte port?

[Answer] As I said, the Soviet officials only came with the idea of finding out what we have to offer and what we have. Now they have to tell us which of our facilities they could use. Then we would negotiate the conditions which, of course, would have to be beneficial to Panama.

[Question] What is the outlook of this agreement being reached?

[Answer] If the final negotiations are advantageous for Panama, then we would definitely like to have all fleets use Vacamonte.

[Question] What conditions would Panama impose on the USSR for the use of the port?

[Answer] What kind of conditions did you mean?

[Question] Conditions for the use of Vacamonte Port.

[Answer] The conditions established in international regulations for the use of ports. [end recording]

BELIZE

DIPLOMATIC RELATIONS ESTABLISHED WITH FRANCE

FL230250 Belize City Domestic Service in English 0100 GMT 23 Feb 82

[Excerpt] France and Belize have established diplomatic relations. His Excellency Jean-Pierre Chauvet this morning presented his diplomatic credentials as France's permanent representative to the Government of Belize to her excellency the Governor General Dr Minista Gordon [words indistinct]. Ambassador Chauvet in presenting his credentials to Dr Minista Gordon said that France supported Belize's cause at the United Nations and that it was only natural to have decided to accredit a permanent representative to the Government of Belize. Ambassador Chauvet declared: May Belize remain free from East and West antagonisms and retain its personality, its authenticity and its full independence.

In reply to this, the governor general said that she was delighted that the broad relations which exist between Belize and France be (?strengthened).

COSTA RICA

COURT RELEASES FINAL DATA ON ELECTION RESULTS

PA221824 Panama City ACAN in Spanish 2350 GMT 20 Feb 82

[Text] San Jose, 20 Feb (ACAN-EFE) -- The final tally of votes cast during the general elections of 7 February reflects that 991,679 out of 1,161,127 registered voters went to the polls and that, therefore, abstentions totalled 21.37 percent. According to the data released by the Supreme Electoral Tribunal today, Luis Alberto Monge, candidate of the Social Democratic National Liberation Party, garnered 568,374 (or 57.3 percent) of the votes.

The Social Democratic Unity coalition, which will remain in power until 8 May, garnered 325,187 votes or 32.7 percent of the votes with its candidate, Rafael Angel Calderon Fournier, who, at 32, is Costa Rica's youngest politician. Mario Echandi, who was president of Costa Rica during the period 1958-1962, ran as the candidate of the centrist National Movement Party this time and garnered 37,127 votes (3.7 percent).

The leftists, who participated in the elections through the "United People's" coalition, garnered 32,186 (or 3.2 percent) of the votes, whereas the two other parties that completed the roster of presidential options available to Costa Ricans, the Democratic Party and the Independent Party, obtained the support of barely .01 percent of the voters.

Regarding the abstentions amounting to 21.3 percent, the court said that they were higher this time than 4 years ago, when they represented only 18 percent of the voters. The difference was recorded especially in Limon Province, on the Atlantic side, where abstentions totalled 32 percent, and in Puntarenas Province, on the Pacific side, where they totalled 27 percent.

MONGE THANKS REAGAN FOR CONGRATULATORY MESSAGE

PA181705 Paris AFP in Spanish 0116 GMT 18 Feb 82

[Text] San Jose, 17 Feb (AFP) -- Costa Rican President-elect Luis Alberto Monge has announced that he will accept "with great pleasure" U.S. President Ronald Reagan's proposal to "work very closely" on Central America's current critical situation. Monge said he was pleased by President Reagan's "generous praise" of Costa Rica's democratic values and traditions in his message of congratulations, which was received over the weekend.

In his reply to Reagan, the Costa Rican president-elect indicated that "a very close effort between us, as you propose, will permit the undertaking of an urgent task on whose success will depend, to a great extent, the prestige and future of democracy in Latin America." Luis Alberto Monge, who will take office on 8 May, said that he will support the Reagan administration's "opportune initiatives" to confront national and regional problems.

Monge also described Reagan's support for the Central American Democratic Community -- created a month ago by Costa Rica, Honduras and El Salvador -- as "very valuable." In addition, he reiterated his support for the principles of representative democracy, which are the ideological basis of the community. Further commenting on the same subject, Monge stressed the need to promote an alliance of democratic governments and forces in Central America and the Caribbean as the only way "to obtain, where it does not exist; and to preserve where it does exist -- as in Costa Rica -- an authentic institutional democratic system."

EL SALVADOR

DEFENSE MINISTER FINDS SENATORS' VISIT 'POSITIVE'

PA230323 San Salvador EL DIARIO DE HOY in Spanish 22 Feb 82 pp 9, 28

[Text] The visits of U.S. senators to our country have had some positive aspects, Defense Minister Jose Guilllermo Garcia said in referring to U.S. official delegations that have come during the past few days. General Garcia said that the U.S. senators and congressmen who have visited him have been given a direct explanation about the various aspects of the true Salvadoran situation.

We have talked to them. We have told them the truth. We have admitted our errors and we have been frank about our decision to struggle against an adversary that receives support from Cuba and Nicaragua to establish in El Salvador a regime similar to the one in those two countries, Garcia said.

Garcia believes that something positive has come out of these visits because during the talks "We have been very open in telling them that economic and military aid to El Salvador is justified because it is here where the battles of other countries is being waged." Those countries would be affected if El Salvador does not present resistance against the common enemy. The defense minister said that a vital factor of the struggle is the opposition of the Salvadoran people to the traitors and mercenaries who have made destruction, threats and vandalism their main program.

When Garcia was asked about a statement made in Miami by Ruben Zamora, according to whom the guerrillas would launch an offensive against the Salvadoran Government, General Garcia said that it is evident that in the past few days that the terrorist groups are engaged in a destruction offensive against the interests of the people. He noted that everybody knows about the destruction of buses, shops, businesses, container tanks, high-tension towers, bridges, light poles and so forth, and this directly hurts the people, the militaryman said.

The defense minister stated that the armed forces of El Salvador are always ready to fight the enemies of the people and to reach, above everything, the 28 March elections. Those elections will be acknowledged by the Free World and the will of the people will be respected, he asserted.

Referring to the electoral campaign, Garcia said that this is a political situation, but he personally does not agree with party people being offensive. The ideal situation would be for these parties to tell the people what they will do if they win the elections, Garcia noted.

"Instead of talking about the past, it would be better to talk about the future. There should be no negative talk and there should be no promotion of hatred or feelings of vengeance. I personally think that it is better to hear the positive plans of the parties," General Garcia said.

The minister said that in line with the offer from the United States, El Salvador has already been receiving military material such as helicopters and other things. He said he expects to receive more in the next few days. General Garcia said that our armed forces accepts military aid but will never accept soldiers from other countries coming to El Salvador to help us solve our problems because the Salvadoran Armed Forces, although small, are professional and have the backing and support of the Salvadoran people.

General Garcia said that right now there are military operations going on in San Vicente and south of Cabanas Department where the armed forces are searching for guerrilla hideouts since, according to intelligence reports, there are foreign mercenaries in those areas and as soon as there is evidence of this it will be reported to the Salvadoran people, said General Garcia.

DEFENSE MINISTER COMMENTS ON ELECTORAL PROCESS

PA221351 Buenos Aires LATIN in Spanish 0709 GMT 21 Feb 82

[Text] San Salvador, 21 Feb (LATIN-REUTER) -- Salvadoran Defense Minister Jose Guillermo Garcia said that the presence of foreign observers during the forthcoming March election will be the equivalent of "moral support" for his government by other countries. The leftist rebels, who have boycotted the election, have intensified their guerrilla campaign as election day approaches on 28 March, but the armed forces will also increase their efforts, the defense minister told REUTERS during an interview yesterday.

"We are dominating the situation as election day approaches, because we will not be alone, but will have the moral support of other peoples represented here by observers who will see for themselves what is really happening in El Salvador," Garcia said. The Salvadoran civilian-military junta has invited some 60 countries to send observers to the election for a constituent assembly; however, some have declined the invitation and have sown doubts about the electoral process.

General Garcia said that the junta, which is receiving ample economic and military aid from President Ronald Reagan's regime, does not want troops from the United States or any other country to support it in the struggle against the guerrillas. However, he said that the government needs more weapons and suggested that there was the danger of another "Vietnam" in Central America if Washington does not supply the needed military hardware.

The general explained that the government considers that a large turnout -- "the great majority of the voters" -- would be support for the electoral method and a rejection of the guerrillas. "We do not care for whom the people vote. We just want the people to vote," he said. "This election will practically be a referendum for us and for the world, where the truth about what our people really want will be revealed," he said.

No leftist party is participating in the election and the guerrillas have decried the election claiming that it is a maneuver to keep the present rulers in power. The government claims that the guerrillas' rejection reflects their lack of popular support. General Garcia says he is confident that the election wil mark the decline of the guerrilla movement because of the growing support that the military will have at the time.

"The last day that the guerrillas will be able to act as they have will be 28 March," he said. "The elections will be the beginning of the total destruction of subversion," he added. He has promised that election will be clean and said that the military do not care who wins.

"Just to show you the extent of neutrality, the armed forces, which have a constitutional right to vote, will not do so. We shall not vote," General Garcia said. The general said that the military has reinforced the control over its members' observance of human rights. This matter was greatly mentioned by opponents to the U.S. policy on El Salvador and by humanitarian organizations.

"I cannot asure you that there will be no human rights violations. However, I can assure you what President Reagan has affirmed....as he has requested, we have done everything possible to improve the quality of our actions in order not to violate human rights," Garcia said.

ARMY INTELLIGENCE DISCOVERS TERRORIST PLOT

PA200120 San Salvador EL MUNDO in Spanish 18 Feb 82 p 2

[Excerpt] The armed forces' intelligence service has been told that extremist organizations operating in Santa Ana, San Miguel, Usulutan, San Vicente, and other departments have a terrorist plan that will be put in motion 2 days before the elections, according to military sources. The extremists, it was said, plan to lay siege to cantons, neighborhoods and suburban areas to prevent the people from voting.

The sources said that in rural areas, also, there have been threats of massacres if the people insist on voting. The sources noted that 2 days before the elections, the extremists will explode bombs and stop and set fire to buses in urban areas.

The most recent warning, the military sources said, came from a group of terrorists who occupied and sacked Galincagua canton, San Agustin. There, the terrorists stole money, clothes, food, water containers and so forth and told the townspeople that "if they don't cooperate, they will be massacred and the same is true for elections day and they are getting ready for that." [sentence as published]

GUERRILLAS HALT TRAFFIC, DESTROY POWERLINES

PA212050 San Salvador EL MUNDO in Spanish 19 Feb 82 p 1

[Excerpts] At 0545 today a large group of extremists attacked private and public transport vehicles at km 28 on the main North highway, in the Guazapa district. The terrorists, in the presence of drivers and passengers, then proceeded to machinegun and dynamite powerline and telephone cable posts.

According to reports by victims of the extremist attack, youths and adults wearing olive drab uniforms and young women in brown uniforms took up positions on both sides of the road and stopped at least 14 vehicles, including buses from the northern sectors. When the automobiles were stopped, the drivers and passengers were forced to alight at gunpoint and were stripped of their valuables, starting with their money. They were all forced to keep their hands raised, to prevent any resistance, and were compelled to sing revolutionary songs.

The guerrillas told the passengers of the vehicles that they would witness a demonstration of what the guerrillas were like and then proceeded to machinegun and dynamite the telephone and powerline posts. They toppled three powerline posts and two telephone cable posts.

At the time of this report the powerline poles were still on the road, but the telephone poles had already been replaced.

The destruction of the powercables poles caused a blackout in an extensive sector of the north in the San Salvador and Chalatenango Departments. When government officials learned of the terrorist attack, army units were sent to confront the terrorists. However, no clash or arrest has yet been reported.

FDR'S UNGO CITES NEED FOR NEGOTIATED PEACE

PA221743 Paris AFP in Spanish 0044 GMT 21 Feb 82

[Text] Managua, 22 Feb (EFE) -- Guillermo Ungo, president of the Revolutionary Democratic Front (FDR), warned here today that his country will continue at war, "with or without elections, if there is no negotiated peace." Ungo, who is participating in the Permanent Conference of Political Parties of Latin America (COPPPAL), which is discussing Central American political and social problems, told newsmen that "the Salvadoran revolutionary forces cannot lay down their weapons unless there is a negotiated peace first, because that would be a betrayal of the bloodshed of the 30,000 persons who have been killed."

He said that if the United States had not involved itself by giving military aid to the Salvadoran Government, the war of liberation would have been won. "The North Americans supply the rifles and money and the Salvadoran people supply the dead," Ungo said, adding that all of the peace proposals put forward by the revolutionary groups have been rejected "by the fascist military government."

"We are on the edge of the blade," he said. "The United States is reaching the point of having to decide between a peaceful, negotiated political solution and an increase in its intervention, regionalizing the conflict even more and affecting all of Central America." In any event, Ungo concluded, "before or after the elections, the war will continue as long as a negotiated peace is not achieved."

GUATEMALA

OFFICER REACTS TO MEXICO'S STANCE ON BORDER

PA181755 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 17 Feb 82

[Excerpts] According to Gen Benedicto Lucas Garcia, the army chief of staff, Mexican authorities have changed their attitude toward Guatemala. He based this statement on reports received from the Huehuetenango military zone.

[Begin Lucas Garcia recording] There is a military zone in that area with an adequate number of troops. There can be no doubt at this time that there has been a new assignment of cadres. The cadres are new and they were not fully familiar with the situation. However, they are now, and the proper measures will be taken.

One of the things that causes the biggest problems in that region is the fact that it is very close to Mexico. The fact that Mexico is now determined to guard its borders in the best possible manner and to deploy its troops on the border with perhaps help to keep these gentlemen from crossing the border so easily. Formerly, when the army pursued them, they would cross to the other side, with or without weapons. I do not know how they did this, but it is a good thing that Mexico is taking these measures. My most sincere congratulations. This is how friendships are supported. This is how nations that share a border should show fraternity. I believe that this is the best way; not to interfere in the affairs of others, but to help prevent an aggravation of the problems being faced by the other country. [end recording]

OPPOSITION COMMITTEE ANNOUNCED IN MEXICO

PA182019 Paris AFP in Spanish 0358 GMT 18 Feb 82

[Text] Mexico City, 17 Feb (AFP) -- A Guatemalan Committee of Patriotic Unity, comprised of well-known Guatemalan personalities who live in exile or in the country's interior, was announced here today.

Its purpose is to support the request of the Guatemalan National Revolutionary Unity [Unidad Revolucionaria Nacional Guatemalteca -- URNG] Movement to build a patriotic unity front against the present Guatemalan regime in the near future. Among the individuals who announced the creation of the committee are writer Luis Cardoza y Aragon, who serves as president; Carlos Gallardo Flores; writer Augusto Monterroso; and others.

The committee, composed of 26 persons, includes a mixture of the primary opposition political forces in Guatemala. Its members include units of the United Revolutionary Front (Social Democratic), the Democratic Front Against Repression (Broad Humanitarian Association), the Directorate of the National Committee of Labor Unity and other organizations.

The basic objectives of the committee are to increase international solidarity with the Guatemalan opposition, to promote greater isolation of the genocidal Guatelmalan regime and to display greater support for the exiles who leave the country due to the warlike situation there, the organizers said. They denied that the committee intends to play the role of government-in-exile or of a group of personalities, similar to the 12 of Nicaragua.

The committee noted that the formation of the URNG "is an unprecedented factor in the integration and strengthening of the unity of the revolutionary and other forces among the Guatemalan people." Despite its support for the URNG, the committee denied having fundamental ties with that organization.

NICARAGUA

ORTEGA SPEECH AT RALLY FOR LOPEZ PORTILLO

PA220426 Managua Domestic Service in Spanish 1500 GMT 21 Feb 82

[Speech by Commander Daniel Ortega Saavedra, coordinator of the Junta of the Government of National Reconstruction, on 21 February at a rally held at the Carlos Fonseca Amador Plaza to welcome Mexican President Jose Lopez Portillo]

[Excerpts] Mexico and Nicaragua have walked together throughout their history during the resistance war that our Indians waged against the colonies and in the independence struggle against Spain on 15 July 1826. A few years after our independence from Spain in the Congress of Panama, the Republics of Colombia, Central America, Peru and Mexico, agreed to unite and form a confederation and to support one another in peace and war, thus froming an agreement of perpetual friendship, firm and unviolable.

Sandino lived in Mexico where he came in contact with the struggles waged by trade unions and the efforts carried out to stop the imperialists' intentions to seize Mexico's underground wealth. In Mexico, he learned of the sympathy and support of the Mexican people and government to the constitutionalist cause and therefore the rejection of imperialism and oligarchies.

In the struggle against the Somozist dictatorship, the Mexican people and their President Jose Lopez Portillo were permanently encouraging the Sandinist warriors and the Nicaraguan people. In May 1979, the Mexican Government severed relations with Somoza's genocidal regime, setting an example to be followed by the other Latin American countries. [applause]

On 20 June 1979, the U.S. Government proposed at 17th OAS consultative meeting, the organization of an inter-American force for a military intervention in Nicaragua. Latin America's solidarity was the factor that stood in the way of U.S. threats and pressures and the so-called inter-American forces. The Mexican Government played an important role in those days in defense of the sovereignty and self-determination of Nicaragua. [applause, shouts of Mexico, Mexico]

From 19 July on, Mexico has stood up to its principles. It has maintained its solidarity with Nicaragua in all fields; the economic, cultural, social and political. Mexico has never set conditions for Nicaragua. [applause]

For this reason we welcome Mexico today with a fraternal embrace, Mexico as represented in dignity by its President Jose Lopez Portillo. [applause, shouts of Mexico, Mexico]

At the closing session yesterday of the Permanent Conference of Latin American Political Parties, COPPPAL, at approximately 1935 when Companero Bernt Carlsson, secretary of the Socialist International, was speaking, a bomb exploded at the airport. As result of the explosion, three brother workers died. I have been informed that another one who was seriously injured also died. In other words, four companeros dead. [crowd shouting "One single army" and clapping]

Once again human rights are being violated in Nicaragua. Who are violating these rights? Those murderers. Once more the human rights of a people that wants to work, sing and fulfill their goals, are violated. Who are violating these rights? Those murderers. There are persistent rumors that actions and undercover operations have already been approved against the Nicaraguan revolution. It has been revealed in the United States that the U.S. Government has approved a $19 million budget to stimulate a series of destabilizing actions against the Nicaraguan revolution. These destabilizing actions range from promoting discontent and discrediting our revolution, through the issuance of slander and vile accusations against it, even to the assassinations and criminal acts such as this one.

We know that they have plans to assassinate the members of the FSLN National Directorate. They think that by killing one, they can cause the National Directorate members to begin to fight each other, and that by doing so, they will divide and demoralize us. They do not realize that the FSLN National Directorate's strength stems from the workers and peasants of Nicaragua and that this strength is monolitic and solid. [applause]

They do not realize that they can kill one of us, even all the members of the National Directorate, but that they cannot kill the desires for freedom and justice of the people, and that to do this they would have to kill all the people. [applause]

Regarding the reports of undercover operations and of the destabilizing plans against Nicaragua, we could say perhaps they are not so serious, as a U.S. newspaper and some congressmen say that it is not so serious. But when President Reagan was asked about 2 or 3 days ago, if these plans really exist, instead of giving a responsible and serious reply, instead of answering with the respect due to the U.S. people and U.S. heroes as Jefferson and Lincoln, his answer was no comment, thus clearly leaving in the air his threats.

We are thus fully entitled to think that this bomb attack is not disassociated from the U.S. Government's covert actions, which are handled through the CIA. When was this attempt carried out? While a meeting of great importance to Nicaragua and Latin American countries and world peace was closing and the Mexican president, who has maintained his solidarity with the Nicaraguan people was arriving. [applause]

Perhaps they thought that with the bomb explosion, which certainly was intended to kill all the passengers who were already picking up their suitcases, President Lopez Portillo's trip would be cancelled. Maybe they thought, erroneously, that they could intimidate Mexico, but here is the answer.

We said that this bomb was intended to sabotage COPPPAL and to prevent the arrival of President Lopez Portillo. We know that certain circles have toyed with the idea that President Lopez Portillo should meet the same fate as General Torrijos, because he is helping Nicaragua. But let those who think this know that Mexico and Nicaragua constitute a single will, a single body in favor of justice and peace. [applause]

They place bombs against us, they kill our warriors, they threaten us with aggressions, but ask us not to arm. What do you think about this? Do you approve of us arming ourselves? [crowd shouts "yes"] Do we have the right and obligation to arm ourselves? [crowd shouts "yes"].

That is why the militias are here. They have existed from the time that (Andres Castro) grab the rock to hit the Yankee invader. The militias are here, the same that fought with Zeledon in [words indistinct] and La Barranca against U.S. intervention in 1912.

At the COPPPAL meeting the FSLN made some proposals in which we are taking definite steps toward contributing to solving the problems that Central America is having, and also to stopping the menace and aggression against Nicaragua. Our proposals were well accepted by COPPPAL. We want the people to know what they are and to receive their approval. These are the proposals: The FSLN, in an effort to contribute to peace and stability in Central America, has considered it appropriate to take advantage of the COPPPAL meeting by Latin American political leaders and friends of the revolution to submit to this family meeting the initiatives that the FSLN is carrying out in a new effort to find a worthy and respectful understanding for our sovereignty by the U.S. Government. We wish to submit to your consideration the following points:

1. Nicaragua reiterates its decision to maintain a policy of nonalignment based on having relations with all the countries of the world, irrespective of their economic, political and social systems and particularly with the countries of Latin America. Do you agree with this proposal, Nicaraguan brothers? [crowd shouts "yes"]

2. We consider it appropriate to sign nonaggression and mutual security agreements with our neighbours, based on nonintervention and mutual respect. Do you agree with this second point? [crowd shouts "yes"]

3. We also feel it is wise to make an effort for the demarcation of military borders and joint patrol system along the border with Honduras and Costa Rica, to prevent the illegal activities of groups opposed to any of the three governments. Do you agree with this proposal? [crowd shouts "yes"]

4. We insist on our willingness to have friendly relations wtih the United States and to begin talks on any issue of mutual concern and urgency, particularly aimed at the negotiated solution of conflicts and the development of regional economic cooperation. Do you agree with this proposal? [crowd shouts "yes"]

5. Based on an absolute respect for Nicaragua's sovereignty, on nonintervention in its internal affairs, on not encouraging the counterrevolutionary activities abroad, on nonaggression and no economic blockades, on respect for the right to receive international cooperation and to aspire to a just international economic order, so that under no circumstance it feels forced to adopt extreme measures of self defense and survival, Nicaragua maintains its decision to carry out its revolution and process within a mixed economy, pluralism and nonalignment, and to hold democratic elections no later than 1985. Because in the same way we overthrew Somoza with the rifles, we can defeat anyone with votes. [applause]

Nicaragua brothers, do you agree with these five points the FSLN has submitted to Nicaragua, to Latin America and to the world? [crowd shouts "yes"]

We have gathered here today to commemorate the 48th anniversary of the assassination of our General Sandino and also to pay a well deserved tribute to Mexico on this great occasion. The joy we felt while preparing for this occasion has not been destroyed by the criminals who murdered our companeros. Yes, they have brought mourning and sorrow to this commemoration, but they have contributed to strengthening the morale of our people and also their conscience and the unity of the peoples of the continent and of the world.

They are also helping to stop the aggression and threats of invasion against our revolution. Because we know we are going to go ahead, we want to give President Jose Lopez Portillo of Mexico the Augusto Cesar Sandino Order. [applause] By giving this order to President Lopez Portillo, we know very well that we are giving it to the Mexican people, to the history of Mexico, to the Mexican solidarity honorably represented by Lopez Portillo.

The Augusto Cesar Sandino carries our people's historic breadth and the sweat and blood of the Nicaraguan workers, heroes and martyrs; the sorrow and suffering of those that have been slain; the combativeness of our women; the hope and happiness in the future of our children; the indignation of our people for the aggression to which they are subjected and our people's joy for the love they have received from the peoples of our continent and of the world, and particularly, for the love received from the Mexican people and government, and from the companero president of Mexico, the heroic and noble Mexico of Hidlago, Zapata, Lazaro Cardenas and of Jose Lopez Portillo. [applause] For you the Augusto Cesar Sandino Order. [applause]

BORGE TO ANNOUNCE NEW ANTIREVOLUTIONARY PLOT

PA181524 Panama City ACAN in Spanish 1504 GMT 18 Feb 82

[Text] Managua, 18 Feb (ACAN-EFE) -- Nicaraguan state security authorities unveiled a new anti-Sandinist conspiracy which will be made public today, Wednesday [as published], at a news conference called by Interior Minister Commander Tomas Borge. Advance information on the plot, revealed to local media by military sources, indicated the present plan carried worse consequences than that frustrated several months ago which was aimed at blowing up the Managua refinery and the state cement factory. The reports on the new antirevolutionary plot will be revealed the same day a Managua judge will announce his ruling in the trial against the group that planned to dismantle the Nicaraguan economy through sabotage.

CERNA REVEALS NEW COUNTERREVOLUTIONARY PLOT

PA190455 Managua Domestic Service in Spanish 2034 GMT 18 Feb 82

[Statement by Lenin Cerna, Nicaraguan state security director, during a news conference held at the Interior Ministry; all personal names phonetic -- live]

[Summary] The State Security Directorate reported in early January 1982 the existence of a terrorist plan to destroy the national cement plant and the oil refinery. The plan included attacks on other economic targets and the murder of revolutionary leaders. On that occasion, we noted that the arrest of William Baltodano and Julio Gonzalez Ferron did not necessarily mean that activities against our revolution by the group involved had been stopped. Follow-up investigations and the testimony of those implicated confirmed the existence of further plans.

As we said, statements by former guardsmen, observation of their movements in bordering countries and detection of their activities in the country's interior made us realize the need to increase our efforts to locate those involved in these plans. We thus arrested Pedro Paz Merlo and Pedro Rivas Delgado in an operation in Chinandega. These arrests revealed to us that a group of individuals, 19 of whom are under arrest, were planning to blow up the power plant in Chinandega and certain bridges, including the bridge at Paso Caballos. Ingram submachineguns with silencers, 200 sticks of fuse-type dynamite, other types of dynamite and 3 rifles were found in the possession of these individuals. The main plan was to paralyze the Chinandega power plant, set fire to several cotton gins and blow up several bridges, including the Paso Caballos bridge in Corinto. The destruction of the generators at the power plant was to be the signal to blow up the bridges. This was to take place in coordination with actions in Managua, as part of what they called the internal front action.

The list of those arrested is as follows: Pedro Rivas Delgado, alias Julian Runes, the leader of the group, who was directly involved in procurement of the dynamite and the submachineguns; Pedro Paz Merlos; Miguel Angel Brenes Loza; Gerardo Enrique Veranovich Moreno, Guillermo Jose Chamorro Ruiz, Jose Andres Valle Avendano, Armando Esteban Ruiz Torres, Virgilio Briceno Mejia; Ursula del Socorro Gutierrez Castillo, Gertrudis del Rosario Munoz Sanchez, Maura Julia Blanco Picado, Silvestre Fermin Acevedo Ruiz, Abad Orozco Martinez, Juana Jimenez Madariaga, Donald Peralta Velasquez, Ernesto Rivera Matute, Santiago Gaitan, Guillermo Neira and Francisco Sevilla.

Our investigations have revealed that one of the main contacts between the guardsmen in Honduras and Chinandega is known as Julio Laos Herazo, who is presently at large. Gertrudis del Rosario Munoz Sanchez, Laos' girlfriend, was fully informed of the plans and of the contacts that were being made with individuals from Chinandega and Honduras. Authorities found at her home 120 sticks of dynamite, a roll of slow-burning fuse, two compasses, a silencer, a flame shield for a 380 Ingram pistol, bullets and counterrevolutionary propaganda. According to this woman and other prisoners, Pedro Rivas and Pedro Paz Merlos had been assigned to the camp that was located on the property of the Cuban counterrevolutionary named Kiko Perez, in El Paraiso Department, Honduras. The statements made by Paz Merlos and Rivas confirm Baltodano's statements regarding the composition of the counterrevolutionary group that is active here and that was responsible for the attack at Las Brisas last week.

The home of Juan Jimenez Madariaga was found to be a safe house for these people. Authorities found in his house 42 sticks of dynamite, 3 large sticks of dynamite, walkie-talkies and detonators for the dynamite. Dynamite and other materiel were also found at the homes of several of the detainees. Fermin Acevedo was found in possession of 2 (B-Z) rifles, ammunition and three clips for these rifles. At the home of Francisco Sevilla, the authorities found 1 (B-Z) rifle, a 20-gauge shotgun, a .22-cal pistol and ammunition. The main mission of these individuals in the interior of the country was to destroy the economy and generate terror. Those on the border were instructed to kill militiamen and maintain a state of unrest throughout the area. We will now show you the materiel found in the possession of these individuals. [Cerna then proceeds to display the confiscated material] Baltodano had stated that these weapons were purchased in Miami.

We found a newspaper called AMERICA LIBRE in the home of one accomplice of the counterrevolutionaries. Guillermo Ruiz is listed as its director and editor. The art director is Eduardo Mendizabal. The interesting thing is that it contains a report by the Chamorro Rappaccioli brothers [who are now under trial for involvement in the original subversive plot]. [The prisoner, Pedro Paz Merlos, states at this point that he is a Nicaraguan living in Honduras and was recruited there for counterrevolutionary activities. He indicates in answers from newsmen's questions that he was arrested in Puerto Lourdes and has been treated well by Nicaraguan state security officials since his arrest]

We would like to point out the kind of people to which the counterrevolutionaries turn. Because he had collaborated with the Somozist National Guard, this prisoner fled to Honduras, where he was recruited to carry out this activity. Although he is a peasant, the terms he uses -- such as safe house -- indicate that he is not as naive as he seems. The testimony of other detainees indicates that these people are being trained in counterintelligence to combat the efforts of our defense organizations.

Our investigations are based on the testimony of the prisoners, those who were involved in these activities. We know what the media and even the prisoners have said about the complicity of certain officials of other countries. Our efforts are designed to clarify and to develop an awareness of what we are facing. The people of this country are committed to work and to the consolidation of the revolution, but this is also a country under attack. The names of the attackers are being revealed and we are exposing them to our people and to the world.

CASTRO SUPPORTS LOPEZ PORTILLO PEACE PROPOSAL

PA230458 Paris AFP in Spanish 0438 GMT 23 Feb 82

[Text] Havana, 22 Feb (AFP) -- Cuban President Fidel Castro has assured Mexican President Jose Lopez Portillo that "he can count on the Cuban Government and people" and on his "personal commitment to find paths that will eliminate tensions and give way to the democratic and peaceful solution of the distressing problems that afflict most of the countries of the area."

In a message addressed to the Mexican president which was released in Havana tonight, Castro stated that "I have learned of your extraordinary speech" delivered in Managua on Sunday and that "those remarks confirm once again your outstanding position as a statesman in the Mexican line of continuity begun by the illustrious Benito Juarez when he proclaimed that the respect of the rights of others is peace." Cuba, Castro added, "agrees with your noble desire of guaranteeing to our Central American and Caribbean region a peace based on the right of the people to enjoy full sovereignty, complete self-determination and to carry out the political and social transformations that they themselves democratically choose."

The Cuban president added: "Without solving the problems that burden the countries of the area there can be neither peace, nor an orderly process in these lands that are in turmoil as a result of hunger, economic backwardness, despotism and interventionism from those who insist on sustaining, at any price, bloody regimes that are hated by their people."

Cuba, Castro stated, "has repeatedly proclaimed its desire for peace. No people in our America should fear Cuban arms, which will never be wielded for a fraticidal aggression." "These arms," he noted, "are here solely and exclusively to defend the fatherland. We are prepared to offer full guarantees in this regard."

Citing declarations made by "the most distinguished spokesmen of the U.S. administration who are determined not to renounce military attacks as one (?of the possibilities") to punish Cuba "and destroy it if possible," Castro added that "it is, therefore, the legitimate and inalienable right of self-defense which has led the Cuban people to organize and prepare themselves militarily in a massive way."

"If the U.S. Government, source of all the problems which afflict Latin America and the Caribbean today, assumes the commitment not to attack its neighbors, if it ends its constant threats, if it stops using its weapons and financial resources to support genocidal regimes, if it stops its subversive activities -- actions which are devoid of the most elemental legitimacy -- Cuba is prepared to cooperate with the noble efforts which you outlined in Managua to bring to the region a climate of peace, mutual respect and the necessary transformations to which we also aspire," said Castro.

Finally, the Cuban chief of state reaffirmed that his country will "maintain unaltered this sensible and constructive position with the same vigor with which we are rejecting and will reject emphatically any attempt of the U.S. Government to blackmail, intimidate and impose conditions or ultimatums on our country."

"In case of any attack," Castro concludes, "we shall know how to defend our dignity, sovereignty and principles at any price, up to the last man and woman of our revolutionary people, up to our last drop of blood."

In his speech given Sunday in Managua, President Lopez Portillo had made an appeal to President Ronald Reagan urging him not to unleash "an armed intervention in Central America." He also appealed to the peoples and governments of the American Continent so that "we can jointly prevent the catastrophe." Lopez Portillo said that "there are (?several sides to) the conflict in the region: Nicaragua and El Salvador, and if we want to see things more clearly, relations between Cuba and the United States."

The Mexican chief of state warned that "there are good possibilities" that a dialogue between the United States and Cuba "could become negotiations" if we follow the path opened by talks held in November between Cuban Vice President Carlos Rafael Rodriguez and Secretary of State Alexander Haig. Mexico, he said, accepts "eagerly" the possibility of playing "a more active role in this region." Lopez Portillo also offered Mexico's participation in talks to solve the Salvadoran crisis. He also considered "feasible and desirable the drafting of a nonaggression pact between Nicaragua and the United States on the one hand, and Nicaragua and its neighbors on the other."

TELEVISION REPORTS DEPARTURE OF PDRY PRESIDENT

FL221658 [Editorial Report] Havana Domestic Television Service in Spanish at 1620 GMT on 22 February begins live coverage of PDRY President 'Ali Nasir Muhammad's departure from Havana's Jose Marti International Airport.

As coverage opens, PDRY President 'Ali Nasir Muhammad and Cuban President Fidel Castro are seen arriving at the airport tarmac in a limousine. The two walk over to review the honor guard and shake hands with Cuban party and government leaders.

At 1630 GMT, the Cuban and Yemeni leaders walk toward the ramp to the aircraft. They embrace and are seen saying a few words to each other through the interpreter. Cuban Council of State Vice President Carlos Rafael Rodriguez is also at the foot of the ramp bidding farewell to the Yemeni president and members of his delegation. At 1632 GMT, the Yemeni president boards the aircraft, the door closes and the aircraft taxis to the end of the airport for take-off. The aircraft finally takes off at 1652 GMT. Television coverage ends at 1655 GMT.

'Ali Nasir to Nicaragua

FL222030 Havana Domestic Television Service in Spanish 1800 GMT 22 Feb 82

[Text] Moments before its departure for the fraternal country of Nicaragua, the People's Democratic Republic of Yemen [PDRY] delegation, headed by 'Ali Nasir Muhammad, initialed several cooperation protocols. The delegations at the signing of the Cuba-PDRY protocol were presided over by Commander in Chief Fidel Castro, president of the Councils of State and Ministers; and 'Ali Nasir Muhammad, chairman of the Supreme People's Council Presidium.

Levi Farah, government minister, and his Yemeni counterpart initialed a friendship and cooperation document, while Ricardo Cabrizas, Cuba's minister of foreign trade, and his Yemeni counterpart signed a trade agreement between the two countries. Another document was signed by Joaquin Benavides and Yemen's labor minister. Just prior to that, Foreign Minister Isidoro Malmierca and Salim Salih Muhammad initialed a cooperation agreement and waiver of customs between the two countries. A cooperation agreement was also signed between Cuba's Communist Party [PCC] and the Yemeni Socialist Party (YSP) by Jesus Montane, alternate member of the PCC Politburo and (Ali Chayer), alternate member of the YSP Politburo.

BUDAPEST CITES CASTRO VIEWS ON U.S. POLICIES

LD201850 Budapest Domestic Service in Hungarian 1500 GMT 20 Feb 82

[From the "168 Hours" political magazine program, with Program Editor Elemer Csak report from Havana on interview with Cuban President Fidel Castro following conclusion of 10th World Congress of Trade Unions -- recorded portions in Spanish with superimposed Hungarian translation]

[Text] The following brief conversation with the leader of the Cuban revolution took place in the last moments of the final reception. Castro had already met almost all the leaders of the delegations which attended the congress.

He was untiring in responding to the greetings of the veterans of the trade union movement. He also found a few moments to answer the questions of correspondents accredited to the congress. Obviously, the first topic was his evaluation of the congress which had just ended:

[Begin recording] I received strong impressions at the congress. I would first of all emphasize the large number of participants. [end recording]

If I am right, more than 300 delegations participated, Castro said, and then he turned to Roberto Veiga, secretary general of the Cuban trade unions to ask for the precise number of participants. At any rate, the important point is that these delegations represented 260 million organized workers from all the continents.

[Begin recording] The world trade union movement has been strengthened by this congress. The prestige of the World Congress of Trade Unions has further increased and this has great significance in the present sharpened international situation. Under these circumstances it is important that millions of workers are turning against the arms race, the aggressive endeavors of imperialism. The national liberation and revolutionary movements received strong support at this conference. To sum up, therefore, I can say that the congress has done successful work. [end recording]

Castro then turned to the question of U.S. policy toward Central America and the threats against Cuba:

[Begin recording] A dangerous situation is developing in Central America because of the imperialists' campaign of hysteria. Washington's plans to direct the events in the region have failed. All their attempts to crush the Salvadoran revolution have been defeated. It is our conviction that the resolution of the Salvadoran crisis is conceivable only through negotiations. They want to apply the policy of strength at any price but this cannot succeed on this occasion either.

The failure of their policy further increases their irritation, and this is why they act increasingly threateningly against El Salvador, Nicaragua and Cuba. The fundamental error of this policy is that, contrary to its intention, it gives rise to the increasing resistance of the peoples.

As regards our people, for example, they will make any sacrifice to defend their country, sufficient to make an aggressor pay a very, very high price. We are calm, we are working, we are overcoming the economic difficulties; we are paying great attention this year as well to the harvesting of sugar cane. We are developing and strengthening the consciousness of our people. Now, decades after the victory of the revolution, we can say that we are much stronger. [end recording]

To the question of whether he considers an all-out blockade of Cuba conceivable, Castro said it is possible. Nothing is beyond the present Washington leadership. The Cuban leader repeated his evaluation given at the Havana general assembly of the IPU according to which the U.S. administration is influenced by an extreme group. However, no one can force the Cuban people to their knees. They do not fear any type of aggression and cannot be driven from the socialist path, Fidel Castro stressed.

TORRAS IN NEW DELHI FOR ECONOMIC CONFERENCE

FL201649 Havana Domestic Service in Spanish 1606 GMT 20 Feb 82

[Text] Vice Foreign Minister Pelegrin Torras arrived today in New Delhi, India, to attend an economic conference for underdeveloped countries. Torras heads the delegation from Cuba, one of the nations invited to the conference slated to open on Monday under the auspices of the Indian Government.

SOURCES GIVE NAMES OF POTENTIAL PRIME MINISTERS

FL222130 Bridgetown CANA in English 1732 GMT 22 Feb 82

[By Herman Singh]

[Excerpt] Paramaribo, Suriname, 22 Feb (CANA) -- Two of Suriname's former foreign ministers, Harvey Naarendorp and Andre Haakmat, who both served under the dismissed administration of President Dr. Henk Chin A Sen, are highly tipped for the post of prime minister when the ruling military authority announces a new government on March 15, well placed sources here have said.

Mr. Haakmat and Mr. Naarendorp are both lawyers -- the former holding office from August 13, 1980 until January 6, 1981 and the latter from January 10 until the forced resignation of the Chin A Sen administration on February 4.

Mr. Haakmat, currently legal adviser to one of Suriname's biggest trade unions, the Moederbond, is at present involved in the preparation of the legal structure for the new government which, informed sources said, will have its ministries halved from the present 15.

Mr. Naarendorp too is looking at reconstructuring the government apparatus, with a view of making the civil service more efficient and adaptable to the needs of the country.

The sources explained that under the revamped system of government, a number of ministries will be integrated and will be run by ministers assisted by under-secretaries and directors (permanent secretaries).

No firm decision has been reached as yet, but a three man commission appointed by the ruling military authority is looking at the new governmental structure and will be making its recommendations in due course.

The sources also said that with the appointment of the new administration, the military authority will be institutionalised and renamed the national revolutionary council, which will also include civilians.

U.S. POLICY CRITICIZED BY ARMY CHIEF BOUTERSE

PM221131 Rotterdam NRC HANDELSBLAD in Dutch 17 Feb 82 p 5

[Unnamed "Own correspondent" report: "Nicaragua, Suriname Have Same Enemies"]

[Text] Paramaribo, 17 Feb -- Suriname and Nicaragua have to combat a common enemy which is interested in trying to sabotage the efforts directed toward real independence.

Nicaraguan Deputy Foreign Minister Tinoco made this statement in Paramaribo. According to Tinoco, both countries are involved in a struggle for self-determination and independence.

During a different meeting in Paramaribo, Surinamese Army Commander in Chief Bouterse declared that he had respect for U.S. knowhow and technology but was "against the policy pursued by the U.S. Government." One of the points of criticism was U.S. "interference" in El Salvador. "We should unite in the fight against imperialism, exploitation and oppression in our country," Commander Bouterse said.